

Message Text

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13-12

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FM SECSTATE WASHDC

TO AMCONSUL RIO DE JANEIRO

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS STATE 296357

E.O. 11652: N/A

TAGS: BPRO

SUBJ: BANK REGULATION

REF: A) RIO DE JANEIRO 4015; B) BRASILIA 10428

1. BANCO DO BRAZIL, N.Y. INFORMED US THAT UNDER THE NEW
BRAZILIAN BANK REGULATION, NUMBER 354, A 360 DAY, 100 PERCENT
CRUZEIRO DEPOSIT IS REQUIRED ON ALL IMPORTED MERCHANDISE WITH
THE FOLLOWING EXCEPTIONS:

PETROLEUM

COAL

FEED GRAINS

PHARMACEUTICALS

FERTILIZERS

PETROLEUM PRODUCING EQUIPMENT

SCIENTIFIC RESEARCH EQUIPMENT

BREEDING LIVESTOCK

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PRINTING PAPER

PLANES AND HELICOPTERS FOR DEFENSE
ALL MACHINERY THAT DOES NOT HAVE A BRAZILIAN-MADE EQUI-
VALENT AND HAS AT LEAST 5 YEARS OF EXTERNAL FINANCING PROVIDED.

2. BANCO REAL, WASHINGTON REPRESENTATIVE OFFICE, INFORMED US
THAT THE NEW REGULATION APPLIED TO ALL IMPORTED MERCHANDISE
WITH THE EXCEPTIONS NOTED ABOVE AS WELL AS MACHINERY THAT DOES
NOT HAVE A BRAZILIAN-MADE EQUIVALENT NO MATTER WHAT THE
REPAYMENT TERM IF EXTERNAL FINANCING IS PROVIDED. PLEASE
CLARIFY WHICH INTERPRETATION IS CORRECT.

3. EXIMBANK IS NOT PREPARED TO PROVIDE TERMS LONGER THAN OUR
NORMAL GUIDELINES BASED ON THE PRODUCT, NATURE OF BUYER
(DEALER/DISTRIBUTOR) AND THE SIZE OF THE CONTRACT VALUE.
GENERALLY, FOR NON-DEALER FINANCING OF CAPITAL EQUIPMENT, UP TO
3 YEARS IS APPROPRIATE FOR CONTRACT VALUES UP TO DOLS 25,000;
4 YEARS UP TO DOLS 150,000; 5 YEARS FOR OVER DOLS 150,000.
DEALER/DISTRIBUTORS ARE LIMITED TO 3 YEARS. PURCHASES OF NON-
CAPITAL EQUIPMENT ARE LIMITED TO A MAXIMUM REPAYMENT TERM
OF 180 DAYS, EXCEPT FOR AGRICULTURAL COMMODITIES AND FER-
TILIZER WHERE 360 DAY TERMS MAY BE CONSIDERED. INGERSOLL

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